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If you have sold or transferred all your shares Shanghai Dongzheng Automotive Finance Co., Ltd.* (上海東正汽車金融股份有限公司), you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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Shanghai Dongzheng Automotive Finance Co., Ltd.* 上海東正汽車金融股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 2718)

**(1) PROPOSED ISSUE OF NEW H SHARES UNDER
SPECIFIC MANDATE**

**(2) PROPOSED FULL CIRCULATION OF
DOMESTIC SHARES INTO H SHARES**

**(3) PROPOSED FULL CIRCULATION OF
UNLISTED FOREIGN SHARES INTO H SHARES**

**(4) PROPOSED CONSEQUENTIAL AMENDMENTS
TO THE ARTICLES OF ASSOCIATION
AND**

**(5) NOTICES OF THE 2020 FIRST EXTRAORDINARY
GENERAL MEETING AND THE CLASS MEETINGS**

Unless the context requires otherwise, capitalised terms used on this cover page have the same meanings as defined in the section headed "Definitions" in this circular.

The Shanghai Dongzheng Automotive Finance Co., Ltd.* will hold the 2020 First Unlisted Foreign Share Class Meeting, the 2020 First Domestic Share Class Meeting, the 2020 First H Share Class Meeting and the 2020 First EGM on Wednesday, 10 June 2020 at 2:00 p.m. respectively (or as soon thereafter as the annual general meeting of the Company convened by a notice of annual general meeting dated 22 April 2020 on the same day and at the same place and each of the preceding meeting in the order as named here shall have concluded or adjourned) at Vision 1, 3F, Hilton Shenzhen Futian, 1003 Shennan Road, Futian, Shenzhen, the PRC. Notices convening the 2020 First EGM, the 2020 First H Share Class Meeting, the 2020 First Unlisted Foreign Share Class Meeting and the 2020 First Domestic Share Class Meeting were despatched by the Company on 22 April 2020 and are set out on pages 25 to 38 of this circular. Notices are also available at the respective websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.dongzhengafc.com).

The proxy forms for use at the 2020 First EGM, the 2020 First H Share Class Meeting, the 2020 First Unlisted Foreign Share Class Meeting and the 2020 First Domestic Share Class Meeting have been despatched to you. Whether or not you are able to attend the 2020 First EGM, the 2020 First H Share Class Meeting, the 2020 First Unlisted Foreign Share Class Meeting and the 2020 First Domestic Share Class Meeting in person, you are requested to complete and return the applicable proxy forms in accordance with the instructions printed thereon. In case of holders of H Shares, the proxy forms shall be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; and in case of holders of Unlisted Foreign Shares and Domestic Shares, the proxy forms shall be lodged at the Company's registered address at Unit ABC, 30/F, Mirae Asset Tower, No. 166, Lu Jia Zui Ring Road, Shanghai, the PRC as soon as possible, but in any event, not less than 24 hours before the time designated for commencement of the relevant meetings as soon as practicable. Completion and delivery of the proxy forms will not preclude Shareholders from attending and voting in person at the relevant meetings or any adjournment thereof if you so desire.

If you intend to attend the 2020 First EGM, the 2020 First H Share Class Meeting, the 2020 First Unlisted Foreign Share Class Meeting and the 2020 First Domestic Share Class Meeting in person or by proxy, you are required to complete and return the enclosed reply slip to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited (for H Shareholders) or the Company's registered office (for Unlisted Foreign Shareholder and Domestic Shareholder) on or before Thursday, 21 May 2020.

* For identification purposes only

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DEFINITIONS

In this circular, unless the context requires otherwise, the following terms shall have the following meanings:

“Articles of Association”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors of the Company
“CBIRC”	China Banking and Insurance Regulatory Commission
“Class Meetings”	the H Share Class Meeting, the Unlisted Foreign Share Class Meeting and the Domestic Share Class Meeting
“Company”	Shanghai Dongzheng Automotive Finance Co., Ltd.* (上海東正汽車金融股份有限公司), a joint stock company incorporated in the PRC with limited liability and the H Shares of which are listed on the Main Board of the Stock Exchange
“Converted H Shares”	Shares converted upon the completion of the H Share Full Circulation
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the issued ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as fully paid in RMB
“Domestic Share Class Meeting” or “2020 First Domestic Share Class Meeting”	the 2020 first class meeting of the holders of Domestic Shares to be convened on Wednesday, 10 June 2020 at 2:00 p.m. (or as soon thereafter as the Unlisted Foreign Share Class Meeting shall have concluded or adjourned) to consider, and if thought fit, to approve (i) the grant of the Specific Mandate to proceed with the New H Shares Issue; (ii) the granting of authority to a person delegated by the Board in relation to the H Share Full Circulation; and (iii) the proposed consequential amendments to the Articles of Association
“Domestic Share Full Circulation”	full conversion of all Domestic Shares into H Shares and the subsequent listing of the H Shares converted from the Domestic Shares

DEFINITIONS

“Dongfeng”	Dongfeng Motor Corporation* (東風汽車集團有限公司), a wholly state-owned enterprise incorporated on 25 June, 1991 under the laws of the PRC which directly holds 100% of the Domestic Shares prior to the H Share Full Circulation
“EGM” or “2020 First EGM”	the 2020 first extraordinary general meeting (or any adjournment thereof) of the Company to be convened on Wednesday, 10 June 2020 at 2:00 p.m. (or as soon thereafter as the H Share Class Meeting shall have concluded or adjourned) for the purpose of considering and, if thought fit, approving the grant of the Specific Mandate to proceed with (i) the New H Shares Issue; (ii) the Domestic Share Full Circulation, (iii) the Unlisted Foreign Share Full Circulation and (iv) the proposed consequential amendments to the Articles of Association
“Global Offering”	has the meaning ascribed to it in the Prospectus
“H Share(s)”	overseas listed foreign Share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange
“H Share Class Meeting” or “2020 First H Share Class Meeting”	the 2020 first class meeting of the holders of H Shares to be convened on Wednesday, 10 June 2020 at 2:00 p.m. (or as soon thereafter as the Domestic Share Class Meeting shall have concluded or adjourned) to consider, and if thought fit, to approve (i) the grant of the Specific Mandate to proceed with the New H Shares Issue; (ii) the granting of authority to a person delegated by the Board in relation to the H Share Full Circulation; and (iii) the proposed consequential amendments to the Articles of Association
“H Share Full Circulation”	Domestic Share Full Circulation and Unlisted Foreign Share Full Circulation
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	17 April 2020, being the latest practicable date before printing of this circular for the purpose of ascertaining information for inclusion in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New H Shares”	not more than 427,930,280 new H Shares proposed to be issued upon the exercise of the Specific Mandate
“New H Shares Issue”	the proposed issue of the New H Shares
“Notices”	the notices convening the EGM, the H Share Class Meeting, the Unlisted Foreign Share Class Meeting and the Domestic Share Class Meeting which were despatched on 22 April 2020
“PRC”	the People’s Republic of China, excluding, for the purpose of this circular only, Hong Kong, Macau Special Administrative Regions of the PRC and Taiwan
“Prospectus”	the offering document of the Company dated 14 March 2019
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	Domestic Share(s) and/or Unlisted Foreign Shares(s) and/or H Share(s) of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Specific Mandate”	the specific mandate proposed to be granted to the Board by the Shareholders at the EGM and the Class Meetings in relation to the New H Shares Issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Theoretical Dilution Effect”	has the meaning ascribed to it under Rule 7.27B of the Listing Rules
“Unlisted Foreign Share Class Meeting” or “2020 First Unlisted Foreign Share Class Meeting”	the 2020 first class meeting of the holders of Unlisted Foreign Shares to be convened on Wednesday, 10 June 2020 at 2:00 p.m. (or as soon thereafter as the annual general meeting of the Company convened by a notice of annual general meeting dated 22 April 2020 on the same day and at the same place shall have concluded or adjourned) to consider, and if thought fit, to approve (i) the grant of the Specific Mandate to proceed with the New H Shares Issue; (ii) the granting of authority to a person delegated by the Board in relation to the H Share Full Circulation; and (iii) the proposed consequential amendments to the Articles of Association

DEFINITIONS

“Unlisted Foreign Share Full Circulation”	full conversion of all Unlisted Foreign Shares into H Shares and the subsequent listing of the H Shares converted from the Unlisted Foreign Shares
“Unlisted Foreign Shares”	overseas unlisted foreign Share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as fully paid in RMB1.00
“ZhengTong”	China ZhengTong Auto Services Holdings Limited (中國正通汽車服務控股有限公司), a controlling shareholder of the Company and a company incorporated on 9 July, 2010 as an exempted company with limited liability under the laws of the Cayman Islands and the shares of which are listed on the main board of the Stock Exchange (stock code: 1728)



Shanghai Dongzheng Automotive Finance Co., Ltd.*

上海東正汽車金融股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 2718)

Executive Directors:

Mr. Lin Fan (*Chairman*)

Mr. Shao Yongjun

Non-executive Directors:

Mr. Koh Tee Choong

Mr. Li Guozhou

Independent Non-executive Directors:

Mr. Wong Man Chung Francis

Mr. Lin Zheyang

Ms. Liang Yanjun

Registered office:

Unit ABC, 30/F, Mirae Asset Tower

No. 166, Lu Jia Zui Ring Road

Shanghai, the PRC

Principal place of business in Hong Kong

Unit 5905, 59/F

The Centre

99 Queen's Road Central

Hong Kong

22 April 2020

To the Shareholders

Dear Sir/Madam,

- (1) PROPOSED ISSUE OF NEW H SHARES UNDER
SPECIFIC MANDATE**
- (2) PROPOSED FULL CIRCULATION OF
DOMESTIC SHARES INTO H SHARES**
- (3) PROPOSED FULL CIRCULATION OF
UNLISTED FOREIGN SHARES INTO H SHARES**
- (4) PROPOSED CONSEQUENTIAL AMENDMENTS
TO THE ARTICLES OF ASSOCIATION
AND**
- (5) NOTICES OF 2020 FIRST EXTRAORDINARY
GENERAL MEETING AND THE CLASS MEETINGS**

INTRODUCTION

Reference is made to the announcement of the Company dated 17 April 2020 in relation to, the New H Shares Issue, the H Share Full Circulation and the proposed consequential amendments to the Articles of Association of the Company.

* *For identification purposes only*

LETTER FROM THE BOARD

The purpose of this circular is to provide you with details of the above matters to enable the Shareholders to make an informed decision on whether to vote for or against or abstain from voting on the resolutions proposed at the EGM and the Class Meetings.

(1) Proposed Issue of New H Shares under Specific Mandate

On 17 April 2020, the Board has resolved to convene the EGM and the Class Meetings for approval of the proposed Specific Mandate to the Board to issue not more than 427,930,280 New H Shares, representing not more than 20.0% and 16.7% of the total share capital of the Company before and after the New H Shares Issue, respectively (assuming the maximum of 427,930,280 New H Shares are issued); and not more than approximately 79.3% and 44.2% of the total number of H Shares in issue before and after the New H Shares Issue, respectively (assuming the maximum of 427,930,280 New H Shares are issued and without taking into account the H Share Full Circulation).

Details of the New H Shares Issue are as follows:

(1) Issuer of the New H Shares

The Company.

(2) Class of Shares to be issued

Overseas listed foreign shares (H Shares).

(3) Aggregate nominal value

Given the nominal value per share is RMB1.00, the aggregate nominal value of the New H Shares to be issued is RMB427,930,280.

(4) Time of issuance

The Company will select an appropriate time within the validity period of the resolutions to be passed at the EGM and the Class Meetings to undertake the New H Shares Issue in a single or multiple series. The Board and the persons delegated by the Board will determine the actual time of issuance with reference to the international capital market conditions, as well as the status of review of the Company's application for the relevant approvals by the PRC and overseas administrative and/or regulatory authorities.

(5) Method of issuance

The New H Shares Issue will be carried out by way of (including but not limited to) placing. Depending on the prevailing market conditions and barring unforeseen circumstances, if the New H Shares Issue is carried out by way of placing of New H Shares through placing agent(s), the Company expects that the placing will be conducted by such placing agent(s) on either a best effort basis or a fully underwritten basis.

LETTER FROM THE BOARD

(6) Target investors

The New H Shares will be issued/placed to qualified institutional, corporate and natural persons and other investors, who are independent of and not connected with any directors, supervisors, chief executive officer or substantial shareholders (as defined under the Listing Rules) of the Company or its subsidiaries or any of their respective associates (as defined under the Listing Rules).

The investors of the New H Shares Issue may or may not become a substantial shareholder (as defined under the Listing Rules) of the Company as a result of completion of the New H Shares Issue. As the Company is required to observe the relevant regulatory requirements in respect of the investment in the commercial bank as provided in the Interim Measures on the Equity Management of Commercial Banks (《商業銀行股權管理暫行辦法》) (the “**Equity Management Measures**”), any investor along with its related parties and persons acting in concert, whether separately or jointly, intends to initially or accumulatively hold 5% or more of the total capitalisation/shares of an auto finance company, an application shall be filed with CBIRC for approval in advance.

As at the Latest Practicable Date, the Company has not yet identified any placing agent or investor, nor had it entered into any definitive agreement, for the New H Shares Issue. The Company will make further announcement(s) upon entering into any definitive agreement(s) with placing agent(s) and/or investor(s) in connection with the New H Shares Issue where appropriate or as required under the Listing Rules.

(7) Pricing mechanism

Under the applicable PRC laws, each series of New H Shares Issue shall have the same issuance conditions and issue price. Except that the issue price of New H Shares may not be lower than the nominal value per share (being RMB1.00), there are no relevant restrictive provisions required by the laws of the PRC on the issue price of Shares used in the New H Shares Issue.

The New H Shares will be issued at a price to be determined by the Board after taking into account the interests of existing Shareholders, investors’ capabilities and the potential issuance risks, as well as the market practice and applicable regulatory requirements, and with reference to the capital market conditions and the valuations of comparable companies at the time when the Company issues the New Shares. The Board has resolved that the issue price will be not lower than 80% of the average closing price of the H Shares as quoted on the Stock Exchange over the last five trading days prior to the date of determining such issue price. The issue price of the New H Shares shall be set to ensure that it will not result in a Theoretical Dilution Effect of 25% or more.

LETTER FROM THE BOARD

(8) Method of subscription

The New H Shares are to be subscribed by the investors in cash, and to be issued/placed in accordance with the terms of the subscription agreement(s) to be entered into between the Company and the investor(s), or be issued/placed in accordance with the terms of the issuance/placing agreement(s) to be entered into between the Company and the issuance/placing agent(s) in relation to the New H Shares Issue.

(9) Size of issuance

The Company will issue not more than 427,930,280 New H shares. Assuming the maximum 427,930,280 New H Shares are issued, the New H Shares will represent not more than approximately 79.30% of the total number of H Shares in issue and 20.00% of the total number of Shares in issue of the Company as at the Latest Practicable Date, respectively; or not more than approximately 16.7% of the total number of Shares in issue of the Company as enlarged by the New H Shares Issue as at the Latest Practicable Date. The size of issuance of the New H Shares has been determined by the Board with reference to the Company's plan to enlarge the equity base of the Company for the reasons as more particularly described in "Reasons for and benefits of the New H Shares Issue" below.

Prior to the New H Shares Issue, the total number of Shares in issue of the Company is 2,139,651,400 Shares, in which the number of H Shares is 539,651,400 Shares; upon the completion of the New H Shares Issue (assuming the maximum 427,930,280 New H Shares are issued), the total number of Shares in issue of the Company will be 2,567,581,680 Shares, in which the number of H Shares will be 967,581,680 Shares. The number of Domestic Shares and Unlisted Foreign Shares will remain unchanged as 80,000,000 Shares and 1,520,000,000 Shares respectively. Please refer to "POSSIBLE EFFECTS OF THE NEW H SHARES ISSUE AND THE H SHARE FULL CIRCULATION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY" on below for details of the shareholding structure.

(10) Use of proceeds

The proceeds of the New H Shares Issue, after deducting relevant expenses, will be mainly used to strengthen the capital structure, increase operating liquidity in order to facilitate the continuous development of our retail loan and dealer loan businesses.

The Company currently intends to use the net proceeds of the New H Shares Issue for the following purposes.

- (i) Enhance the funding of self-operated retail loans to be disbursed to external customers:*

The Company currently intends to use not less than 90% of the net proceeds of the New H Shares Issue to fund self-operated retail loans to be disbursed to external customers. Owing to the increasing demand of the auto finance market,

LETTER FROM THE BOARD

and in line with our strategy to optimise our product and service portfolio as stated in the Prospectus, the net proceeds will provide additional funding in order to make more retail loans to external customers.

(ii) Further the development of the network of external dealers:

As disclosed in the Prospectus, the Company maintains a database containing the number of stores and sales information of authorised 4S dealers and second-level dealers of major luxury car brands and used car markets located in various regions and cities. By analysing these information and the historical sales trends, the Company will generate an estimate of the sales potential of these dealers as well as identify the regions and cities that the Company plans to expand into and the specific brands it plans to focus on. In particular, the Company intends to strengthen its efforts to expand its external dealer network in first-tier and second-tier cities and further deepen our collaboration with car dealers by offering tailor-made auto finance products. To support such expansion efforts, the Company plans to recruit additional sales personnel based in different regions with a focus on specific luxury car brands. The proceeds will also be used to fund marketing activities.

The Company currently intends to use not less than 4% of the net proceeds of the New H Shares Issue to further our effort in diversifying our external dealer network of luxury-brand car dealer, second-level dealers and dealers specialising in the sale of used cars, which forms part and parcel of our strategy as stated above.

(iii) Develop IT systems and maintenance:

The Company currently intends to use not less than 1% of the net proceeds of the New H Shares Issue to develop IT systems and maintenance, including but not limited to optimising our capabilities in artificial intelligence.

(iv) General working capital purposes:

The Company currently intends to use the balance (i.e. not more than 5%) of the net proceeds of the New H Shares Issue for the general working capital purposes of the Company, which will be used to pay the expenses incurred in the daily operations and management of the Company, including paying employees' compensation and office rent.

(11) Ranking of the New H Shares

The New H Shares shall rank *pari passu* with the H Shares in issue prior to such issuance once the New H Shares are fully paid.

LETTER FROM THE BOARD

There is no mandatory lock-up period applicable to the New H Shares under PRC laws, the Articles of Association and the Listing Rules. However, the New H Shares may be subject to lock-up period depending on the terms of the agreement(s) that may be entered into by the Company with placing agent(s) and/or investor(s) in connection with the New H Shares Issue, which is currently contemplated to be six months.

(12) Place of the listing of the New H Shares

The New H Shares will be listed and traded on the Stock Exchange subject to satisfying the conditions of the New H Shares Issue as stated below.

(13) Validity period of the resolutions

The resolutions relating to the New H Shares Issue will be valid for 12 months, commencing from the date of passing of the relevant resolutions at the EGM and the Class Meetings. The Board may, if necessary, seek for Shareholders' approval for the extension of the validity period of the relevant resolutions relating to the New H Shares Issue.

(14) Other relevant authorisations

The Board will seek the Shareholders' authorisation at the EGM and the Class Meetings respectively to authorise the Board and the person(s) delegated by the Board to deal with and complete all the matters in relation to the New H Shares Issue with full authority during the validity period of the resolutions relating to the New H Shares Issue. Such matters include but are not limited to:

- (1) execute and submit all the relevant applications, reports and other documents to the CSRC and other relevant PRC and overseas authorities and deal with all the relevant examination, registration, filing, approval and permission which, among others, includes (a) the application to the bank and insurance regulatory authorities for approving the New H Shares Issue; (b) the application to the CSRC for approving the New H Shares Issue; (c) report to the bank and insurance regulatory authorities on the revised articles of association of the Company arising from the issuance; (d) application for the registration procedures with respect to change in the registered capital due to the New H Shares Issue with the commerce administration authorities; (e) application for the registration procedures with respect to change in the registered capital due to the New H Shares Issue with the administration of industry and commerce; and (f) application for completion of foreign exchange settlement procedures with the relevant foreign exchange administration and the relevant designated foreign exchange banks in respect of the New H Shares Issue;
- (2) execute and submit all the relevant applications, reports and other documents to the Stock Exchange;

LETTER FROM THE BOARD

- (3) be responsible for determining the terms of the New H Shares Issue, including the determination of the actual size, issue price including the price range and final price), timing, method, actual use of proceeds and target placee(s) and/or subscriber(s) of the New H Shares Issue, the execution, implementation, modification and termination of any agreement, contract or other documents in relation to the exercise of the Specific Mandate to issue the New H Shares, making adjustment to the use of proceeds of the New H Shares Issue, and any other relevant matters;
- (4) be responsible for negotiating and entering into subscription agreement(s) with investor(s) or issuance/placing agreement(s) with the issuance/placing agent(s) in relation to the New H Shares Issue, and approving any revision or amendments to such subscription agreement(s) or issuance/placing agreement(s) (including any supplemental agreement(s), where applicable);
- (5) be responsible for dealing with all the matters in relation to obtaining all the approvals and permissions from the CSRC, the Stock Exchange and/or any other relevant PRC and overseas authorities in relation to the New H Shares Issue;
- (6) depending on the requirements at the time of the issuance, recruit and engage the global coordinator(s), underwriter(s), placing agent(s), domestic and overseas intermediaries and other professional parties for the New H Shares Issue, and sign, implement, suspend or terminate the recruitment or engagement agreements or other related legal documents;
- (7) make appropriate amendments to the terms of the New H Shares Issue in light of the specific circumstances and pursuant to the approval(s) by the relevant regulatory authorities;
- (8) execute, implement, amend and complete the documents in relation to the New H Shares Issue and do such act as necessary and appropriate in relation to the New H Shares Issue;
- (9) approve the publication of relevant announcement(s), circular(s) and notice(s) in relation to the New H Shares Issue on the websites of the Stock Exchange, the Company or other legally required intermediaries, respectively, and the submission of relevant forms, files or other documents to the Stock Exchange;
- (10) obtain from the Stock Exchange the approval for listing of and permission to deal in all of the New H Shares to be issued and allotted pursuant to the New H Shares Issue on the Main Board of the Stock Exchange;
- (11) amend relevant articles of the Articles of Association in accordance with the actual results of the New H Shares Issue and deal with the relevant registration and filing procedures with the relevant industry and commerce administration authorities; and

LETTER FROM THE BOARD

(12) do other acts as necessary and appropriate in relation to the New H Shares Issue and the listing of all of the New H Shares on the Stock Exchange.

Upon the authorisation by the Shareholders at the EGM and the Class Meetings as mentioned above, the Board will delegate such authorisation to Mr. Lin Fan (林帆) (the chairman and executive Director of the Company) or his authorised person(s), severally or jointly, to exercise the authorisation granted by the Shareholders to the Board as mentioned above.

Depending on market conditions, the Board may or may not exercise the proposed Specific Mandate, if granted, to issue the New H Shares. If the Board proceeds with the New H Shares Issue pursuant to the Specific Mandate, a separate announcement will be made.

Conditions to the New H Shares Issue

The New H Shares Issue is conditional upon:

- (1) the grant of the proposed Specific Mandate by the Shareholders to the Board and the approval of the proposed issue of the New H Shares pursuant to the proposed Specific Mandate having been obtained at the EGM and the Class Meetings;
- (2) the approval of the proposed issue of the New H Shares pursuant to the proposed Specific Mandate by the relevant PRC administrative and/or regulatory authorities, being the CSRC and the competent authority under the CBIRC;
- (3) the entering into of the issuance/placing agreement(s) between the Company and the issuance/placing agent(s) and the subscription agreement(s) between the Company and the investor(s) (as the case may be) and such issuance/placing agreement(s) and subscription agreement(s) (as the case may be) not being terminated in accordance with the terms therein; and
- (4) the Listing Committee of the Stock Exchange granting listing of and permission to deal in all of the New H Shares to be issued and allotted pursuant to the New H Shares Issue.

The above conditions may not be waived by the Company and had not yet been satisfied as at the Latest Practicable Date.

Listing Application

An application will be made by the Company for the listing of, and the permission to deal in, the New H Shares on the Stock Exchange.

LETTER FROM THE BOARD

Reasons for and Benefits of the New H Shares Issue

The purpose of the New H Shares Issue is to introduce strategic investors and strengthen the Company's capital structure, which can be further explained by the following reasons:

First, equity financing provides effective capital injection for the Company's development and augments its steady development under the current market conditions, which allows the Company to seize market opportunities, expand its market share in the retail loans business in the luxury-brand car sector, and further the development of the luxury-brand car auto finance ecosystem, thereby creating higher returns for its shareholders.

Second, the New H Shares Issue will enhance the Company's financing capabilities and broaden its financing channels. Equity financing does not incur any interest expense on the part of the Company and could restrain the build-up of the debt-ratio, which will improve the financing structure of the Company.

Third, the Company wishes to introduce strategic investors with strong corporate profiles as institutional shareholders. Such established institutional shareholders may be a favorable factor when the Company's loan applications are being assessed by the lending bankers and the Company may also learn from their corporate governance philosophy, which is conducive to the Company's corporate governance structure.

The Company considers that other alternative equity financings such as a preemptive rights issue or open offer could not achieve the purpose of attracting new long-term or strategic investors. Under a rights issue or open offer, the number of new Shares available for new strategic investors to subscribe, if any, cannot be determined until the level of subscription by existing Shareholders is confirmed. In light of such uncertainty, it shall create difficulty to the Company in identifying and negotiating with strategic investors.

The Board also considers that there are uncertainties in view of the regulatory procedures for a rights issue or open offer of Domestic Shares, Unlisted Foreign Shares and H Shares and the more complicated offering timetable taking into account the issue of nil-paid rights (where applicable) and publication of prospectus(es), and the uncertainties and complication may consequently impact the Company's strategy implementation on a timely basis. A rights issue or open offer will also involve possibly higher transaction costs such as underwriting fees, and pressure on the Company's share price may result, indirectly contributed by, among others, the potential dilution of earnings per share and the need to contribute additional capital by the existing Shareholders to avoid dilution of their respective shareholdings. Although the New H Shares Issue will have potential dilution impact to the Company's existing shareholders including the minority shareholders, as the New H Shares Issue will serve the multiple purposes of providing long term capital to the Company, strengthening the Company's financing profile and enlarging the Company's equity base with quality investors, which will benefit all the Shareholders (including the Company's minority shareholders), the Company believes that the benefits of the New

LETTER FROM THE BOARD

H Shares Issue would outweigh the potential dilution impact to the Company's minority shareholders. Having carefully considered the above reasons, the Board believes that the New H Shares Issue is a more efficient and economical approach as compared to a rights issue or an open offer to raise funds and satisfy the proposed use of proceeds as set out in "(10) Use of proceeds" above.

Based on the above, the Board takes the view that the New H Shares Issue is in the interests of the Company and the Shareholders as a whole, taking into account the possible price discount and dilution impact to existing Shareholders.

In case that the Company requires more funding in the future, it will rely on bank borrowings, shareholders' loan and debt and equity financing in its ordinary course of business from time to time. While the Company currently has no definite plans to conduct further equity issuances apart from the New H Shares Issue, it will consider further equity issuances and/or debt issuances as and when appropriate.

(2) Proposed Domestic Share Full Circulation

On 17 April 2020, the Board has resolved to convene the EGM for the approval of the matters in relation to the Domestic Share Full Circulation.

As at the Latest Practicable Date, detailed implementation plan of the Domestic Share Full Circulation has not been finalised.

The Board will seek the Shareholders' authorisation at the EGM and the Class Meetings respectively to authorise the Board and the person(s) delegated by the Board to deal with and complete all the matters in relation to the H Share Full Circulation with full authority for a period of 12 months commencing from the date of passing of the relevant resolutions incidental to the Domestic Share Full Circulation at the EGM and Class Meetings. Such matters include but are not limited to:

- (1) execute and submit all the relevant applications, reports and other documents to the CSRC, the Stock Exchange and other relevant PRC and overseas authorities and deal with all the relevant examination, registration, filing, approval and permission;
- (2) be responsible for dealing with all the matters in relation to obtaining all the approvals and permissions from the CSRC, the Stock Exchange and/or any other relevant PRC and overseas authorities in relation to the Domestic Share Full Circulation;
- (3) execute, implement, amend and complete the documents in relation to the Domestic Share Full Circulation and do such act as necessary and appropriate in relation to the Domestic Share Full Circulation;

LETTER FROM THE BOARD

- (4) approve the publication of relevant announcement(s), circular(s) and notice(s) in relation to the Domestic Share Full Circulation on the websites of the Stock Exchange, the Company or other legally required intermediaries, respectively, and the submission of relevant forms, files or other documents to the Stock Exchange;
- (5) obtain from the Stock Exchange the approval for listing of and permission to deal in all of the Converted H Shares pursuant to the Domestic Share Full Circulation on the Main Board of the Stock Exchange;
- (6) amend relevant articles of the Articles of Association in accordance with the actual results of the Domestic Share Full Circulation and deal with the relevant registration and filing procedures with the governmental authorities; and
- (7) do other acts as necessary and appropriate in relation to Domestic Share Full Circulation and the listing of all of the H Shares converted from the Domestic Share Full Circulation on the Stock Exchange.

Conditions to the Domestic Share Full Circulation

The Domestic Share Full Circulation is conditional upon:

- (1) the approval of the proposed Domestic Share Full Circulation having been obtained at the EGM;
- (2) the grant of authorisation by the Shareholders to the Board having been obtained at the EGM and the Class Meetings;
- (3) the approval of the proposed Domestic Share Full Circulation by the relevant PRC administrative and regulatory authority, being the CSRC; and
- (4) the Listing Committee of the Stock Exchange granting listing of and permission to deal in all of the H Shares converted from the Domestic Share Full Circulation.

The above conditions may not be waived by the Company and had not yet been satisfied as at the Latest Practicable Date.

Listing Application

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the H Shares converted from the Domestic Share Full Circulation on the Stock Exchange, subject to Shareholders' approval at the EGM and the Class Meetings (other than class meeting of the holders of the Domestic Shares).

LETTER FROM THE BOARD

(3) Proposed Unlisted Foreign Share Full Circulation

On 17 April 2020, the Board has resolved to convene the EGM for the approval of the matters in relation to the Unlisted Foreign Share Full Circulation.

As at the Latest Practicable Date, detailed implementation plan of the Unlisted Foreign Share Full Circulation has not been finalised.

The Board will seek the Shareholders' authorisation at the EGM and the Class Meetings respectively to authorise the Board and the person(s) delegated by the Board to deal with and complete all the matters in relation to the H Share Full Circulation with full authority for a period of 12 months commencing from the date of passing of the relevant resolutions incidental to the Unlisted Foreign Share Full Circulation at the EGM and the Class Meetings. Such matters include but are not limited to:

- (1) execute and submit all the relevant applications, reports and other documents to the CSRC, the Stock Exchange and other relevant PRC and overseas authorities and deal with all the relevant examination, registration, filing, approval and permission;
- (2) be responsible for dealing with all the matters in relation to obtaining all the approvals and permissions from the CSRC, the Stock Exchange and/or any other relevant PRC and overseas authorities in relation to the Unlisted Foreign Share Full Circulation;
- (3) make appropriate amendments to the terms of the Unlisted Foreign Share Full Circulation in light of the specific circumstances and pursuant to the approval(s) by the relevant regulatory authorities;
- (4) approve the publication of relevant announcement(s), circular(s) and notice(s) in relation to the Unlisted Foreign Share Full Circulation on the websites of the Stock Exchange, the Company or other legally required intermediaries, respectively, and the submission of relevant forms, files or other documents to the Stock Exchange;
- (5) obtain from the Stock Exchange the approval for listing of and permission to deal in all of the Converted H Shares pursuant to the Unlisted Foreign Share Full Circulation on the Main Board of the Stock Exchange;
- (6) amend relevant articles of the Articles of Association in accordance with the actual results of the Unlisted Foreign Share Full Circulation and deal with the relevant registration and filing procedures with the relevant governmental authorities; and
- (7) do other acts as necessary and appropriate in relation to Unlisted Foreign Share Full Circulation and the listing of all of the H Shares converted from the Unlisted Foreign Share Full Circulation on the Stock Exchange.

LETTER FROM THE BOARD

Conditions to the Unlisted Foreign Share Full Circulation

The Unlisted Foreign Share Full Circulation is conditional upon:

- (1) the approval of the proposed Unlisted Foreign Share Full Circulation having been obtained at the EGM;
- (2) the grant of authorisation by the Shareholders to the Board having been obtained at the EGM and the Class Meetings;
- (3) the approval of the proposed Unlisted Foreign Share Full Circulation by the relevant PRC administrative and regulatory authority, being the CSRC; and
- (4) the Listing Committee of the Stock Exchange granting listing of and permission to deal in all of the H Shares converted from the Unlisted Foreign Share Full Circulation.

The above conditions may not be waived by the Company and had not yet been satisfied as at the Latest Practicable Date.

Listing Application

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the H Shares converted from the Unlisted Foreign Share Full Circulation on the Stock Exchange, subject to Shareholders' approval at the EGM and the Class Meetings (other than the class meeting of the holders of the Unlisted Foreign Shares).

Equity Fund Raising Activities in the Past 12 months

The Company did not conduct any equity fund raising activities in the past 12 months. However, the Company's Shares were listed on the Stock Exchange on 3 April 2019 and raised a net proceeds of approximately HK\$1,552.3 million (approximately RMB1,368.96 million) under the Global Offering (inclusive of partial exercise of the over-allotment option).

LETTER FROM THE BOARD

As of the 31 December 2019, the Company has been utilising the proceeds in accordance with the plan as set out in the Prospectus, details are as follows:

Use of Proceeds as stated in the Prospectus	Net proceeds from the Global Offering <i>(RMB million)</i>	Utilisation as of 31 December 2019 <i>(RMB million)</i>	Unutilised amount <i>(RMB million)</i>
— Fund the self-operated retail loans to be disbursed to external customers	889.83	889.83	—
— Develop the network of the external dealers	68.45	24.03	44.42
— Fund self-operated retail loans to be disbursed to ZhengTong customers	205.34	205.34	—
— Develop our technological, operational and risk management capabilities	68.45	12.72	55.73
— General working capital	<u>136.90</u>	<u>136.90</u>	—
Total	<u><u>1368.96</u></u>	<u><u>1268.81</u></u>	<u><u>100.15</u></u>

Reasons for and Benefits of the H Share Full Circulation

At the end of 2019, the CSRC issued the “Guidelines on the Application for Full Circulation of Domestic Unlisted Shares of H Share companies” (《H股公司境內未上市股份申請“全流通”業務指引》), and launched the reform of full circulation of H shares. Full circulation is conducive to obtaining market-based valuation of domestic unlisted shares, expanding the circulation of the companies’ listed shares in Hong Kong, and attracting more international investors to invest in H-share companies, which is beneficial to the Company’s long term development and shareholders’ interests.

LETTER FROM THE BOARD

Possible Effects of the New H Shares Issue and the H Share Full Circulation on the Shareholding Structure of the Company

Assuming that the New H Shares Issue and the H Share Full Circulation are approved, all 427,930,280 New H Shares are permitted for issuance and are issued, all 80,000,000 Domestic Shares and 1,520,000,000 Unlisted Foreign Shares are converted and are permitted to list on the Stock Exchange, and there is no other change to the share capital of the Company prior to completion of the New H Shares Issue and the H Share Full Circulation, the shareholding structure of the Company as at the Latest Practicable Date and immediately after the completion of the New H Shares Issue and the H Share Full Circulation is set out as follows:

Shareholder	As at the Latest Practicable Date		Immediately upon completion of the New H Shares Issue without taking into account of the H Share Full Circulation		Immediately upon completion of the H Share Full Circulation without taking into account of the New H Shares Issue		Immediately upon completion of the New H Shares Issue and the H Share Full Circulation	
	Number of Shares	Approximate percentage of the Company's issued share capital	Number of Shares	Approximate percentage of the Company's issued share capital	Number of Shares	Approximate percentage of the Company's issued share capital	Number of Shares	Approximate percentage of the Company's issued share capital
Domestic Shares								
Dongfeng ⁽¹⁾	80,000,000	3.74%	80,000,000	3.12%	0	0.00%	0	0.00%
Sub-total of Domestic Shares	80,000,000	3.74%	80,000,000	3.12%	0	0.00%	0	0.00%
Unlisted Foreign Shares								
ZhengTong ⁽²⁾	1,520,000,000	71.04%	1,520,000,000	59.20%	0	0.00%	0	0.00%
Sub-total of Unlisted Foreign Shares	1,520,000,000	71.04%	1,520,000,000	59.20%	0	0.00%	0	0.00%
H Shares								
Other Public shareholders	539,651,400	25.22%	539,651,400	21.02%	539,651,400	25.22%	539,651,400	21.02%
New H Shares ⁽³⁾	0	0.00%	427,930,280	16.67%	0	0.00%	427,930,280	16.67%
Converted H Shares:								
Dongfeng	0	0.00%	0	0.00%	80,000,000	3.74%	80,000,000	3.12%
ZhengTong	0	0.00%	0	0.00%	1,520,000,000	71.04%	1,520,000,000	59.20%
Sub-total of H Shares	539,651,400	25.22%	967,581,680	37.68%	2,139,651,400	100.00%	2,567,581,680	100.00%
Total	2,139,651,400	100.00%	2,567,581,680	100.00%	2,139,651,400	100.00%	2,567,581,680	100.00%

Notes:

- These 80,000,000 Shares were registered in the name of and beneficially owned by Dongfeng. Dongfeng's shareholding have remained unchanged since the Global Offering, and accordingly the Shares held by it would be counted towards the public float.
- These 1,520,000,000 Shares were registered in the name of and beneficially owned by ZhengTong, which is owned by Joy Capital Holdings Limited as to 56.42% and Joy Capital Holdings Limited is deemed under the SFO to be interested in the Shares held by ZhengTong. Mr. Wang Muqing and Mr. Wang Weize were the founders of the family trusts that own all the issued shares of Joy Capital Holdings Limited, which were deemed under the SFO to be interested in the Shares held by Joy Capital Holdings Limited. Credit Suisse Trust Limited in Guernsey is the trustee of these family trusts. The Wang family members are discretionary beneficiaries of these trusts. As ZhengTong holds more than 10% of the Company Shares, it is a core connected person of the Company.

LETTER FROM THE BOARD

3. As the New H Shares are expected to be issued to investors who are independent of and not connected with any directors, supervisors, chief executive officer or substantial shareholders (as defined under the Listing Rules) of the Company and its subsidiaries or any of their respective associates (as defined under the Listing Rules), the Company expects that the New H Shares would be considered as Shares held by the public immediately upon their issuance, except for investor(s) who will subscribe for more than 10% of the total issued Shares of the Company. The Company undertakes that the New H Shares Issue will strictly abide by the public float requirements as prescribed under the Listing Rules.

Based on the above, the Company will comply with the minimum public float requirement of 25.0% under Rule 8.08(1)(a) of the Listing Rules immediately upon completion of the issue of New H Shares and the H Share Full Circulation respectively.

(4) Proposed Consequential Amendments to the Articles of Association

The existing registered capital of the Company is set out in the Articles of Association. Upon completion of the New H Shares Issue and the H Share Full Circulation, the number of H Shares in issue, the registered capital and the capital structure of the Company will change and therefore consequential amendments to the Articles of Association are necessary.

The provisions in the Articles of Association concerning the capital structure of the Company are as follows:

- (1) Article 20 sets out the share capital structure of the Company and the total number of Shares, comprising the Domestic Shares, Unlisted Foreign Shares and the H Shares, in issue; and
- (2) Article 23 sets out the registered share capital of the Company.

The capital structure of the Company will be altered upon completion of the New H Shares Issue and H Share Full Circulation. Accordingly, the Directors will seek from the Shareholders at the EGM and Class Meetings the approval and authority to amend the relevant provisions in the Articles of Association to reflect the new capital structure of the Company as a result of the issuance of New H Shares pursuant to the New H Shares Issue and the H Share Full Circulation.

The proposed consequential amendments to the Articles of Association are set out in Appendix I to this circular and are subject to the Shareholders' approval by way of special resolution in the EGM and the Class Meetings and will become effective upon approval by the CBIRC.

It is also proposed at the EGM and the Class Meetings that the chairman of the Board or his delegates be authorised to make appropriate amendments to the Articles of Association whenever necessary in the process of submitting the same for approval, as required from time to time by the relevant regulatory authorities, administration of industrial and commercial registration as well as the Stock Exchange.

LETTER FROM THE BOARD

NOTICES OF THE EGM AND CLASS MEETINGS

The EGM will be convened and held to consider and, if thought fit, to approve, (i) the grant of the Specific Mandate to proceed with the New H Shares Issue and the full authorisation granted to the Board and the person delegated by the Board to deal with and complete the matters incidental to the New H Share Issue; (ii) the Domestic Share Full Circulation and the full authorisation granted to the Board and the person delegated by the Board to deal with and complete the matters incidental to the Domestic Share Full Circulation; (iii) the Unlisted Foreign Share Full Circulation and the full authorisation granted to the Board and the person delegated by the Board to deal with and complete the matters incidental to the Unlisted Foreign Share Full Circulation; and (iv) the proposed consequential amendments to the Articles of Association. No Shareholders are required to abstain from voting at the EGM, except that holders of Domestic Shares are required to abstain from voting in relation to the resolutions concerning Domestic Share Full Circulation and that the holders of Unlisted Foreign Shares are required to be abstain from voting in relation to the resolutions concerning Unlisted Foreign Share Full Circulation.

The H Share Class Meeting will be convened and held to consider and, if thought fit, to approve, (i) the grant of the Specific Mandate to proceed with the New H Shares Issue and the full authorisation granted to the Board and the person delegated by the Board to deal with and complete the matters incidental to the New H Share Issue; (ii) the full authorisation granted to the Board and the person delegated by the Board to deal with and complete the matters incidental to the H Share Full Circulation; and (iii) the proposed consequential amendments to the Articles of Association. No Shareholders are required to abstain from voting at the H Share Class Meeting.

The Domestic Share Class Meeting will be convened and held to consider and, if thought fit, to approve, (i) the grant of the Specific Mandate to proceed with the New H Shares Issue and the full authorisation granted to the Board and the person delegated by the Board to deal with and complete the matters incidental to the New H Share Issue; (ii) the full authorisation granted to the Board and the person delegated by the Board to deal with and complete the matters incidental to the H Share Full Circulation and (iii) the proposed consequential amendments to the Articles of Association. No Shareholders are required to abstain from voting at the Domestic Share Class Meeting.

The Unlisted Foreign Share Class Meeting will be convened and held to consider and, if thought fit, to approve, (i) the grant of the Specific Mandate to proceed with the New H Shares Issue and the full authorisation granted to the Board and the person delegated by the Board to deal with and complete the matters incidental to the New H Share Issue; (ii) the full authorisation granted to the Board and the person delegated by the Board to deal with and complete the matters incidental to the H Share Full Circulation and (iii) the proposed consequential amendments to the Articles of Association. No Shareholders are required to abstain from voting at the Unlisted Foreign Share Class Meeting.

LETTER FROM THE BOARD

The Company will hold the Unlisted Foreign Share Class Meeting, the Domestic Share Class Meeting, the 2020 First H Share Class Meeting and the 2020 First EGM on Wednesday, 10 June 2020 at 2:00 p.m. (or as soon thereafter as the annual general meeting of the Company convened by a notice of annual general meeting dated 22 April 2020 on the same day and at the same place and each of the preceding meeting in the order as named here shall have concluded or adjourned) at Vision 1, 3F, Hilton Shenzhen Futian, 1003 Shennan Road, Futian, Shenzhen, the PRC. The Notices convening the EGM, the H Share Class Meeting, the Unlisted Foreign Share Class Meeting and the Domestic Share Class Meeting were despatched by the Company on 22 April 2020 and are set out on pages 25 to 38 of this circular. The Notices are also available at the respective websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.dongzhengafcc.com).

Closure of Register of Members

The register of members of the Company in Hong Kong will be closed from Monday, 11 May 2020 to Wednesday, 10 June 2020, both days inclusive, during which period no transfer of H Shares will be effected. In order for the Shareholders to qualify for attending and voting at the EGM and the Class Meetings, Shareholders whose Shares are not registered in their names should complete and lodge their respective instruments of transfer with the relevant H Share certificates with Computershare Hong Kong Investor Services Limited, the Company's H Share registrar in Hong Kong, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and in any case no later than 4:30 p.m. on Friday, 8 May 2020.

Reply Slip and Proxy Arrangement

The respective forms of proxy and reply slip for use at each of the EGM and the Class Meetings have been despatched to you. The proxy form and the reply slip of the EGM and the Class Meetings are enclosed.

Whether or not you are able to attend the meetings in person, you are requested to complete the applicable forms of proxy in accordance with the instructions printed thereon. In case of holders of H Shares, the applicable proxy forms shall be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; and in case of holders of Unlisted Foreign Shares and Domestic Shares, the proxy forms shall be lodged at the Company's registered address at Unit ABC, 30/F, Mirae Asset Tower, No. 166, Lu Jia Zui Ring Road, Shanghai, the PRC, as soon as possible, but in any event, not less than 24 hours before the time designated for commencement of the relevant meetings as soon as practicable. Completion and return of the relevant forms of proxy will not preclude you from attending and voting in person at the relevant meetings or at any adjourned meetings should you so wish.

LETTER FROM THE BOARD

If you intend to attend the EGM and the Class Meetings in person or by proxy, you are required to complete and return the enclosed reply slip to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited (for H Shareholder) or to the Company's registered office (for Domestic Shareholder and Unlisted Foreign Shareholder) on or before Thursday, 21 May 2020.

Voting by Poll

Pursuant to Rule 13.39(4) of the Listing Rules, any votes of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, all resolutions proposed at the EGM and the Class Meetings will be voted by poll. The poll results will be published on the HKExnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.dongzhengafc.com upon the conclusion of the EGM and the Class Meetings.

RECOMMENDATION

The Board considers that all resolutions to be proposed at the EGM and the Class Meetings are in the interests of the Company and the Shareholder as a whole. Therefore, the Board recommends the Shareholders to vote in favour of all resolutions to be proposed at the meetings.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

In view that the New H Shares Issue and H Share Full Circulation are subject to certain conditions and accordingly, may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the H Shares or other securities of the Company.

Yours faithfully,

By Order of the Board

Shanghai Dongzheng Automotive Finance Co., Ltd.*

Lin Fan

Chairman and Executive Director

* For identification purposes only

DETAILS OF THE PROPOSED CONSEQUENTIAL AMENDMENTS TO THE
ARTICLES OF ASSOCIATION

Existing Articles of Association	Proposed Articles of Association
<p>Article 20 As approved by the securities regulatory authority of the State Council and the Hong Kong Stock Exchange, the Company may issue 2,139,651,400 ordinary shares after its establishment.</p> <p>The Company's share capital structure is as follows: 2,139,651,400 ordinary shares, including:</p> <p>80,000,000 domestic shares, accounting for 3.74% of the total number of ordinary shares issued by the Company;</p> <p>2,059,651,400 foreign shares, accounting for 96.26% of the total number of ordinary shares issued by the Company, including:</p> <p>539,651,400 overseas listed shares, accounting for 25.22% of the total number of ordinary shares issued by the Company.</p>	<p>Article 20 As approved by the securities regulatory authority of the State Council and the Hong Kong Stock Exchange, the Company may issue [•] ordinary shares after its establishment.</p> <p>The Company's share capital structure is as follows: [•] ordinary shares, including:</p> <p>[•] domestic shares, accounting for [•]% of the total number of ordinary shares issued by the Company;</p> <p>[•] foreign shares, accounting for [•]% of the total number of ordinary shares issued by the Company, including:</p> <p>[•] overseas listed shares, accounting for [•]% of the total number of ordinary shares issued by the Company.</p>
<p>Article 23 The registered share capital of the Company is RMB2,139,651,400.</p>	<p>Article 23 The registered share capital of the Company is [•].</p>



Shanghai Dongzheng Automotive Finance Co., Ltd.*

上海東正汽車金融股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 2718)

NOTICE OF 2020 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that 2020 first extraordinary general meeting (“**EGM**”) of Shanghai Dongzheng Automotive Finance Co., Ltd.* (上海東正汽車金融股份有限公司) (the “**Company**”) will be held on Wednesday, 10 June 2020 at 2:00 p.m. (or as soon thereafter as the H Share Class Meeting shall have concluded or adjourned) at Vision 1, 3F, Hilton Shenzhen Futian, 1003 Shennan Road, Futian, Shenzhen, the PRC to consider, approve and authorise the following resolutions. Unless otherwise indicated, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated 22 April 2020 (the “**Circular**”).

SPECIAL RESOLUTIONS

- 1. To consider and approve the resolution in relation to the Company granting a specific mandate to the board of Directors of the Company to issue New H Shares:**

“THAT:

- (a) the Directors be and are hereby granted the Specific Mandate to exercise the powers of the Company to allot and issue no more than 427,930,280 New H shares pursuant to the terms and conditions set out in the Circular; and
- (b) the Board and a person(s) delegated by the Board be and is hereby authorised, for and on behalf of the Company, to complete and do all such acts or things as such Director may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the New H Shares Issue (including but not limited to those set out in the Circular) or transactions contemplated thereunder and all other matters incidental thereto or in connection therewith.”

* *For identification purposes only*

NOTICE OF 2020 FIRST EXTRAORDINARY GENERAL MEETING

2. To consider and approve the resolution in relation to the Domestic Share Full Circulation:

“THAT:

- (a) the 80,000,000 Domestic Shares be fully converted into H Shares in accordance with the terms and conditions set out in the Circular; and
- (b) the Board and a person(s) delegated by the Board be and is hereby authorised, for and on behalf of the Company, to complete and do all such acts or things as such Director may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Domestic Share Full Circulation (including but not limited to those set out in the Circular) or transactions contemplated thereunder and all other matters incidental thereto or in connection therewith.”

3. To consider and approve the resolution in relation to the Unlisted Foreign Share Full Circulation:

“THAT:

- (a) the 1,520,000,000 Unlisted Foreign Shares be fully converted into H Shares in accordance with the terms and conditions set out in the Circular; and
- (b) the Board and a person(s) delegated by the Board be and is hereby authorised, for and on behalf of the Company, to complete and do all such acts or things as such Director may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Unlisted Foreign Share Full Circulation (including but not limited to those set out in the Circular) or transactions contemplated thereunder and all other matters incidental thereto or in connection therewith.”

NOTICE OF 2020 FIRST EXTRAORDINARY GENERAL MEETING

4. To consider and approve the resolution in consequential amendments to the Articles of Association of the Company according to the New H Shares Issue and the H Share Full Circulation:

“THAT:

the Board be and are hereby granted the authority to make necessary consequential amendments to the Articles of Association to the registered share capital and capital structure of the Company subsequent to completion of the proposed New H Shares Issue, Unlisted Foreign Share Full Circulation and Domestic Share Full Circulation, and to make relevant registration and filing procedures with the relevant governmental authorities and to deal with other matters in relation to the implementation of the Shareholders’ and the Board’s resolutions.”

Yours faithfully,

By Order of the Board

Shanghai Dongzheng Automotive Finance Co., Ltd.*

Lin Fan

Chairman and Executive Director

22 April 2020, Shanghai, the PRC

Notes:

1. According to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, all resolution proposed at the 2020 First EGM will be voted by poll. The poll results will be published on the HKExnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.dongzhengafc.com upon the conclusion of the 2020 First EGM.
2. A shareholder entitled to attend and vote at the 2020 First EGM announced to be convened herein is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his stead. A proxy need not be a shareholder of the Company.
3. The proxy form together with notarised authorisation letters of signatories or other authorisation documents (if any) shall be invalid unless they are filled out and returned to the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited (for H Shareholders) or the Company’s registered office (for Domestic Shareholder and Unlisted Foreign Shareholder) not less than 24 hours before the time designated for holding the 2020 First EGM or any adjournment thereof (i.e. 2:00 p.m. Tuesday, 9 June 2020). The address of Computershare Hong Kong Investor Services Limited is 17M Floor, Hopewell Center, 183 Queen’s Road East, Wanchai, Hong Kong. Completion and return of the proxy form will not preclude you from attending and voting in person at the 2020 First EGM or any adjournment thereof if you so wish.

NOTICE OF 2020 FIRST EXTRAORDINARY GENERAL MEETING

4. In order to determine the list of H Shareholders who will be entitled to attend and vote at the 2020 First EGM, the Company's H shares register of members will be closed from Monday, 11 May 2020 to Wednesday, 10 June 2020 (both days inclusive), during which period no transfer of Shares will be effected. In order for the H Shareholders to qualify for attending and voting at the 2020 First EGM, Shareholders whose H Shares are not registered in their names should complete and lodge their respective instruments of transfer with the relevant H Share certificates with Computershare Hong Kong Investor Services Limited, the Company's H Share registrar in Hong Kong, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and in any case no later than 4:30 p.m. on Friday, 8 May 2020.
5. For joint holders, only the one whose name stands first in the register shall be entitled to attend the 2020 First EGM and vote in respect thereof.
6. Shareholders who intend to attend the 2020 First EGM in person or by proxy shall submit the reply slip for 2020 First EGM in person or by mail to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited (for H Shareholders) at 17M Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong or the Company's registered office (for Domestic Shareholder and Unlisted Foreign Shareholder) on or before Thursday, 21 May 2020.
7. Shareholders or their proxies shall present their identity documents when attending the 2020 First EGM:
 - (1) Corporate shareholders' legal representatives attending the meeting shall present their valid personal identification, valid documents that can prove their identities as legal representatives and documents proving their shareholder identities; where legal representatives authorise others to attend the meeting, in addition to the aforesaid documents, the proxies shall also present their valid personal identification and the written authorisation letters lawfully issued by the legal representatives (including authorizing others to sign). Where corporate shareholders authorise others to attend the meeting, the proxies shall present their valid personal identification, the authorisation resolution of the board of directors of corporate shareholders or other decision-making bodies and documents proving shareholder identities.
 - (2) Natural person shareholders attending the meeting in person shall present their valid personal identification and documents proving their shareholder identities; proxies attending the meeting shall present their valid personal identification, the authorisation letters from the shareholders and documents proving their shareholder identities.
8. The 2020 First EGM is expected to last for not more than half a day. Shareholders or their proxies attending the meeting shall be responsible for their own travelling and accommodation expenses.
9. The address of Company's registered office is Unit ABC, 30/F, Mirae Asset Tower, No. 166, Lu Jia Zui Ring Road, Shanghai, the PRC.

Telephone: 86 (21) 2068 9999

Facsimile: 86 (21) 2068 9996

As at the date of this notice, the Board comprises Mr. Lin Fan and Mr. Shao Yongjun as executive Directors; Mr. Koh Tee Choong and Mr. Li Guozhou as non-executive Directors; and Mr. Wong Man Chung Francis, Mr. Lin Zheyang and Ms. Liang Yanjun as independent non-executive Directors.



Shanghai Dongzheng Automotive Finance Co., Ltd.*

上海東正汽車金融股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 2718)

NOTICE OF 2020 FIRST H SHARE CLASS MEETING

NOTICE IS HEREBY GIVEN that the 2020 first class meeting for holders of H Shares (the **“2020 First H Share Class Meeting”**) of Shanghai Dongzheng Automotive Finance Co., Ltd.* (上海東正汽車金融股份有限公司) (the **“Company”**) will be held at on Wednesday, 10 June 2020 at 2:00 p.m. (or as soon thereafter as the Domestic Share Class Meeting shall have concluded or adjourned) at Vision 1, 3F, Hilton Shenzhen Futian, 1003 Shennan Road, Futian, Shenzhen, the PRC to consider, approve and authorise the following resolutions. Unless otherwise indicated, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated 22 April 2020 (the **“Circular”**).

SPECIAL RESOLUTIONS

- 1. To consider and approve the resolution in relation to the Company granting a specific mandate to the board of Directors of the Company to issue New H Shares:**

“THAT:

- (a) the Directors be and are hereby granted the Specific Mandate to exercise the powers of the Company to allot and issue no more than 427,930,280 New H shares pursuant to the terms and conditions set out in the Circular; and
- (b) the Board and a person(s) delegated by the Board be and is hereby authorised, for and on behalf of the Company, to complete and do all such acts or things as such Director may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the New H Shares Issue (including but not limited to those set out in the Circular) or transactions contemplated thereunder and all other matters incidental thereto or in connection therewith.”

* *For identification purposes only*

NOTICE OF 2020 FIRST H SHARE CLASS MEETING

2. **To consider and approve the resolution of granting of authority to a person delegated by the Board in relation to the H Share Full Circulation:**

“THAT:

the Board and a person(s) delegated by the Board be and is hereby authorised, for and on behalf of the Company, to complete and do all such acts or things as such Director may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the H Share Full Circulation (including but not limited to those set out in the Circular) or transactions contemplated thereunder and all other matters incidental thereto or in connection therewith.”

3. **To consider and approve the resolution in consequential amendments to the Articles of Association of the Company according to the New H Shares Issue and the H Share Full Circulation:**

“THAT:

the Board be and are hereby granted the authority to make necessary consequential amendments to the Articles of Association to the registered share capital and capital structure of the Company subsequent to completion of the proposed New H Shares Issue, Unlisted Foreign Share Full Circulation and Domestic Share Full Circulation, and to make relevant registration and filing procedures with the relevant governmental authorities and to deal with other matters in relation to the implementation of the Shareholders’ and the Board’s resolutions.”

Yours faithfully,

By Order of the Board

Shanghai Dongzheng Automotive Finance Co., Ltd.*

Lin Fan

Chairman and Executive Director

22 April 2020, Shanghai, the PRC

Notes:

1. According to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, all resolution proposed at the 2020 First H Share Class Meeting will be voted by poll. The poll results will be published on the HKExnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.dongzhengafc.com upon the conclusion of the 2020 First H Share Class Meeting.
2. A Shareholder entitled to attend and vote at 2020 First H Share Class Meeting announced to be convened herein is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his stead. A proxy need not be a shareholder of the Company.

NOTICE OF 2020 FIRST H SHARE CLASS MEETING

3. The proxy form together with notarised authorisation letters of signatories or other authorisation documents (if any) shall be invalid unless they are filled out and returned to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited (for H Shareholders) not less than 24 hours before the time designated for holding the 2020 First H Share Class Meeting or any adjournment thereof (i.e. 2:00 p.m. Tuesday, 9 June 2020). The address of Computershare Hong Kong Investor Services Limited is 17M Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the proxy form will not preclude you from attending and voting in person at the 2020 First H Share Class Meeting or any adjournment thereof if you so wish.
4. In order to determine the list of Shareholders who will be entitled to attend and vote at the 2020 First H Share Class Meeting, the Company's register of members will be closed from Monday, 11 May 2020 to Wednesday, 10 June 2020 (both days inclusive), during which period no transfer of Shares will be effected. In order for the H Shareholders to qualify for attending and voting at the 2020 First H Share Class Meeting, Shareholders whose H Shares are not registered in their names should complete and lodge their respective instruments of transfer with the relevant H Share certificates with Computershare Hong Kong Investor Services Limited, the Company's H Share registrar in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and in any case no later than 4:30 p.m. on Friday, 8 May 2020.
5. For joint holders, only the one whose name stands first in the register shall be entitled to attend the 2020 First H Share Class Meeting and vote in respect thereof.
6. Shareholders who intend to attend the 2020 First H Share Class Meeting in person or by proxy shall submit the reply slip for H Share Class Meeting in person or by mail to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited (for H Shareholders) at 17M Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong on or before Thursday, 21 May 2020.
7. Shareholders or their proxies shall present their identity documents when attending the 2020 First H Share Class Meeting:
 - (1) Corporate shareholders' legal representatives attending the meeting shall present their valid personal identification, valid documents that can prove their identities as legal representatives and documents proving their shareholder identities; where legal representatives authorise others to attend the meeting, in addition to the aforesaid documents, the proxies shall also present their valid personal identification and the written authorisation letters lawfully issued by the legal representatives (including authorizing others to sign). Where corporate shareholders authorise others to attend the meeting, the proxies shall present their valid personal identification, the authorisation resolution of the board of directors of corporate shareholders or other decision-making bodies and documents proving shareholder identities.
 - (2) Natural person shareholders attending the meeting in person shall present their valid personal identification and documents proving their shareholder identities; proxies attending the meeting shall present their valid personal identification, the authorisation letters from the shareholders and documents proving their shareholder identities.

NOTICE OF 2020 FIRST H SHARE CLASS MEETING

8. The 2020 First H Share Class Meeting is expected to last for not more than half a day. Shareholders or their proxies attending the meeting shall be responsible for their own travelling and accommodation expenses.
9. The address of Company's registered office is Unit ABC, 30/F, Mirae Asset Tower, No. 166, Lu Jia Zui Ring Road, Shanghai, the PRC.

Telephone: 86 (21) 2068 9999

Facsimile: 86 (21) 2068 9996

As at the date of this notice, the Board comprises Mr. Lin Fan and Mr. Shao Yongjun as executive Directors; Mr. Koh Tee Choong and Mr. Li Guozhou as non-executive Directors; and Mr. Wong Man Chung Francis, Mr. Lin Zheyang and Ms. Liang Yanjun as independent non-executive Directors.



Shanghai Dongzheng Automotive Finance Co., Ltd.*

上海東正汽車金融股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 2718)

NOTICE OF 2020 FIRST UNLISTED FOREIGN SHARE CLASS MEETING

NOTICE IS HEREBY GIVEN that 2020 first class meeting for holders of Unlisted Foreign Shares (the “**2020 First Unlisted Foreign Share Class Meeting**”) of Shanghai Dongzheng Automotive Finance Co., Ltd.* (上海東正汽車金融股份有限公司) (the “**Company**”) will be held on Wednesday, 10 June 2020 at 2:00 p.m. (or as soon thereafter as the annual general meeting of the Company convened by a notice of annual general meeting dated 22 April 2020 on the same day and at the same place shall have concluded or adjourned) at Vision 1, 3F, Hilton Shenzhen Futian, 1003 Shennan Road, Futian, Shenzhen, the PRC to consider, approve and authorise the following resolutions. Unless otherwise indicated, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated 22 April 2020 (the “**Circular**”).

SPECIAL RESOLUTIONS

- 1. To consider and approve the resolution in relation to the Company granting a specific mandate to the board of Directors of the Company to issue New H Shares:**

“**THAT:**

- (a) the Directors be and are hereby granted the Specific Mandate to exercise the powers of the Company to allot and issue no more than 427,930,280 New H shares pursuant to the terms and conditions set out in the Circular; and
- (b) the Board and a person(s) delegated by the Board be and is hereby authorised, for and on behalf of the Company, to complete and do all such acts or things as such Director may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the New H Shares Issue (including but not limited to those set out in the Circular) or transactions contemplated thereunder and all other matters incidental thereto or in connection therewith.”

* *For identification purposes only*

NOTICE OF 2020 FIRST UNLISTED FOREIGN SHARE CLASS MEETING

2. **To consider and approve the resolution of granting of authority to a person delegated by the Board in relation to the H Share Full Circulation:**

“THAT:

the Board and a person(s) delegated by the Board be and is hereby authorised, for and on behalf of the Company, to complete and do all such acts or things as such Director may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the H Share Full Circulation (including but not limited to those set out in the Circular) or transactions contemplated thereunder and all other matters incidental thereto or in connection therewith.”

3. **To consider and approve the resolution in consequential amendments to the Articles of Association of the Company according to the New H Shares Issue, H Share Full Circulation:**

“THAT:

the Board be and are hereby granted the authority to make necessary consequential amendments to the Articles of Association to the registered share capital and capital structure of the Company subsequent to completion of the proposed New H Shares Issue, Unlisted Foreign Share Full Circulation and Domestic Share Full Circulation, and to make relevant registration and filing procedures with the relevant governmental authorities and to deal with other matters in relation to the implementation of the Shareholders’ and the Board’s resolutions.”

Yours faithfully,

By Order of the Board

Shanghai Dongzheng Automotive Finance Co., Ltd.*

Lin Fan

Chairman and Executive Director

22 April 2020, Shanghai, the PRC

Notes:

1. According to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, all resolution proposed at the 2020 First Unlisted Foreign Share Class Meeting will be voted by poll. The poll results will be published on the HKExnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.dongzhengafc.com upon the conclusion of the 2020 First Unlisted Foreign Share Class Meeting.
2. A shareholder entitled to attend and vote at 2020 First Unlisted Foreign Share Class Meeting announced to be convened herein is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his stead. A proxy need not be a shareholder of the Company.

NOTICE OF 2020 FIRST UNLISTED FOREIGN SHARE CLASS MEETING

3. The proxy form together with notarised authorisation letters of signatories or other authorisation documents (if any) shall be invalid unless they are filled out and returned to the Company's registered office (for Unlisted Foreign Shareholder) not less than 24 hours before the time designated for holding the 2020 First Unlisted Foreign Share Class Meeting or any adjournment thereof (i.e. 2:00 p.m. Tuesday, 9 June 2020). Completion and return of the proxy form will not preclude you from attending and voting in person at the 2020 First Unlisted Foreign Share Class Meeting or any adjournment thereof if you so wish.
4. In order to determine the list of Shareholders who will be entitled to attend and vote at 2020 First Unlisted Foreign Share Class Meeting, the Company's register of members will be closed from Monday, 11 May 2020 to Wednesday, 10 June 2020 (both days inclusive), during which period no transfer of Shares will be effected.
5. For joint holders, only the one whose name stands first in the register shall be entitled to attend the 2020 First Unlisted Foreign Share Class Meeting and vote in respect thereof.
6. Shareholders who intend to attend the 2020 First Unlisted Foreign Share Class Meeting in person or by proxy shall submit the reply slip for Unlisted Foreign Share Class Meeting in person or by mail to the Company's registered office (for Unlisted Foreign Shareholder) on or before Thursday, 21 May 2020.
7. Shareholders or their proxies shall present their identity documents when attending the 2020 First Unlisted Foreign Share Class Meeting:
 - (1) Corporate shareholders' legal representatives attending the meeting shall present their valid personal identification, valid documents that can prove their identities as legal representatives and documents proving their shareholder identities; where legal representatives authorise others to attend the meeting, in addition to the aforesaid documents, the proxies shall also present their valid personal identification and the written authorisation letters lawfully issued by the legal representatives (including authorizing others to sign). Where corporate shareholders authorise others to attend the meeting, the proxies shall present their valid personal identification, the authorisation resolution of the board of directors of corporate shareholders or other decision-making bodies and documents proving shareholder identities.
 - (2) Natural person shareholders attending the meeting in person shall present their valid personal identification and documents proving their shareholder identities; proxies attending the meeting shall present their valid personal identification, the authorisation letters from the shareholders and documents proving their shareholder identities.
8. The 2020 First Unlisted Foreign Share Class Meeting is expected to last for not more than half a day. Shareholders or their proxies attending the meeting shall be responsible for their own travelling and accommodation expenses.
9. The address of Company's registered office is Unit ABC, 30/F, Mirae Asset Tower, No. 166, Lu Jia Zui Ring Road, Shanghai, the PRC.

Telephone: 86 (21) 2068 9999

Facsimile: 86 (21) 2068 9996

As at the date of this notice, the Board comprises Mr. Lin Fan and Mr. Shao Yongjun as executive Directors; Mr. Koh Tee Choong and Mr. Li Guozhou as non-executive Directors; and Mr. Wong Man Chung Francis, Mr. Lin Zheyang and Ms. Liang Yanjun as independent non-executive Directors.



Shanghai Dongzheng Automotive Finance Co., Ltd.*

上海東正汽車金融股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 2718)

NOTICE OF 2020 FIRST DOMESTIC SHARE CLASS MEETING

NOTICE IS HEREBY GIVEN that 2020 first class meeting for holders of Domestic Shares (the “**2020 First Domestic Share Class Meeting**”) of Shanghai Dongzheng Automotive Finance Co., Ltd.* (上海東正汽車金融股份有限公司) (the “**Company**”) will be held on Wednesday, 10 June 2020 at 2:00 p.m. (or as soon thereafter as the Unlisted Foreign Share Class Meeting shall have concluded or adjourned) at Vision 1, 3F, Hilton Shenzhen Futian, 1003 Shennan Road, Futian, Shenzhen, the PRC to consider, approve and authorise the following resolutions. Unless otherwise indicated, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated 22 April 2020 (the “**Circular**”).

SPECIAL RESOLUTIONS

- 1. To consider and approve the resolution in relation to the Company granting a specific mandate to the board of Directors of the Company to issue New H Shares:**

“**THAT:**

- (a) the Directors be and are hereby granted the Specific Mandate to exercise the powers of the Company to allot and issue no more than 427,930,280 New H shares pursuant to the terms and conditions set out in the Circular; and
- (b) the Board and any Director(s) delegated by the Board be and is hereby authorised, for and on behalf of the Company, to complete and do all such acts or things as such Director may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the New H Shares Issue (including but not limited to those set out in the Circular) or transactions contemplated thereunder and all other matters incidental thereto or in connection therewith.”

* *For identification purposes only*

NOTICE OF 2020 FIRST DOMESTIC SHARE CLASS MEETING

2. **To consider and approve the resolution of granting of authority to a person delegated by the Board in relation to the H Share Full Circulation:**

“THAT:

the Board and any Director(s) delegated by the Board be and is hereby authorised, for and on behalf of the Company, to complete and do all such acts or things as such Director may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the H Share Full Circulation (including but not limited to those set out in the Circular) or transactions contemplated thereunder and all other matters incidental thereto or in connection therewith.”

3. **To consider and approve the resolution in consequential amendments to the Articles of Association of the Company according to the New H Shares Issue and the H Share Full Circulation:**

“THAT:

the Board be and are hereby granted the authority to make necessary consequential amendments to the Articles of Association to the registered share capital and capital structure of the Company subsequent to completion of the proposed New H Shares Issue, Unlisted Foreign Share Full Circulation and Domestic Share Full Circulation, and to make relevant registration and filing procedures with the relevant governmental authorities and to deal with other matters in relation to the implementation of the Shareholders’ and the Board’s resolutions.”

Yours faithfully,

By Order of the Board

Shanghai Dongzheng Automotive Finance Co., Ltd.*

Lin Fan

Chairman and Executive Director

22 April 2020, Shanghai, the PRC

Notes:

1. According to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a class meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, all resolution proposed at the 2020 First Domestic Share Class Meeting will be voted by poll. The poll results will be published on the HKExnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.dongzhengafc.com upon the conclusion of the 2020 First Domestic Share Class Meeting.
2. A shareholder entitled to attend and vote at 2020 First Domestic Share Class Meeting announced to be convened herein is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his stead. A proxy need not be a shareholder of the Company.

NOTICE OF 2020 FIRST DOMESTIC SHARE CLASS MEETING

3. The proxy form together with notarised authorisation letters of signatories or other authorisation documents (if any) shall be invalid unless they are filled out and returned to the Company's registered office (for Domestic Shareholder) not less than 24 hours before the time designated for holding the 2020 First Domestic Share Class Meeting or any adjournment thereof (i.e. 2:00 p.m. Tuesday, 9 June 2020). Completion and return of the proxy form will not preclude you from attending and voting in person at the 2020 First Domestic Share Class Meeting or any adjournment thereof if you so wish.
4. In order to determine the list of Shareholders who will be entitled to attend and vote at 2020 First Domestic Share Class Meeting, the Company's register of members will be closed from Monday, 11 May 2020 to Wednesday, 10 June 2020 (both days inclusive), during which period no transfer of Shares will be effected.
5. For joint holders, only the one whose name stands first in the register shall be entitled to attend the 2020 First Domestic Share Class Meeting and vote in respect thereof.
6. Shareholders who intend to attend the 2020 First Domestic Share Class Meeting in person or by proxy shall submit the reply slip for 2020 First Domestic Share Class Meeting in person or by mail to the Company's registered office (for Domestic Shareholder) on or before Thursday, 21 May 2020.
7. Shareholders or their proxies shall present their identity documents when attending the 2020 First Domestic Share Class Meeting:
 - (1) Corporate shareholders' legal representatives attending the meeting shall present their valid personal identification, valid documents that can prove their identities as legal representatives and documents proving their shareholder identities; where legal representatives authorise others to attend the meeting, in addition to the aforesaid documents, the proxies shall also present their valid personal identification and the written authorisation letters lawfully issued by the legal representatives (including authorizing others to sign). Where corporate shareholders authorise others to attend the meeting, the proxies shall present their valid personal identification, the authorisation resolution of the board of directors of corporate shareholders or other decision-making bodies and documents proving shareholder identities.
 - (2) Natural person shareholders attending the meeting in person shall present their valid personal identification and documents proving their shareholder identities; proxies attending the meeting shall present their valid personal identification, the authorisation letters from the shareholders and documents proving their shareholder identities.
8. The 2020 First Domestic Share Class Meeting is expected to last for not more than half a day. Shareholders or their proxies attending the meeting shall be responsible for their own travelling and accommodation expenses.
9. The address of Company's registered office is Unit ABC, 30/F, Mirae Asset Tower, No. 166, Lu Jia Zui Ring Road, Shanghai, the PRC.

Telephone: 86 (21) 2068 9999

Facsimile: 86 (21) 2068 9996

As at the date of this notice, the Board comprises Mr. Lin Fan and Mr. Shao Yongjun as executive Directors; Mr. Koh Tee Choong and Mr. Li Guozhou as non-executive Directors; and Mr. Wong Man Chung Francis, Mr. Lin Zheyang and Ms. Liang Yanjun as independent non-executive Directors.